

HOUSE BILL 717

A1

2lr2047
CF SB 386

By: **Delegates Hershey, Jacobs, Kipke, McDermott, ~~and Smigiel~~ Smigiel, Wood, Bohanan, and O'Donnell**

Introduced and read first time: February 8, 2012

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2012

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Distilleries – Tours, Samples, and Sales**

3 FOR the purpose of expanding the privileges of a distillery license so that the holder of
4 the license may conduct guided tours of the licensed premises, serve not more
5 than a certain number of samples of products manufactured at the licensed
6 premises, ~~sell certain foods and beverages~~, sell products manufactured on the
7 licensed premises for consumption off the licensed premises under certain
8 circumstances, and sell related merchandise; prohibiting a license holder or
9 entity in which a license holder has a pecuniary interest from acting as a
10 caterer of food; specifying the times when certain activities may be conducted;
11 providing that a Class 1 manufacturer's license allows the holder to operate a
12 certain number of days a week, with a certain exception; requiring a license
13 holder to file with the Comptroller a notice of a promotional event at least a
14 certain time before the event is held; prohibiting a license holder from selling or
15 allowing to be consumed at the licensed premises certain products, with a
16 certain exception; providing that this Act does not limit the application of
17 certain laws and regulations; and generally relating to the privileges of alcoholic
18 beverages and distillery licenses.

19 BY repealing and reenacting, with amendments,
20 Article 2B – Alcoholic Beverages
21 Section 2–202
22 Annotated Code of Maryland
23 (2011 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article 2B – Alcoholic Beverages**

4 2–202.

5 **(A)** A Class 1 manufacturer’s license:

6 (1) Is a distillery license;

7 (2) Authorizes the:

8 (i) Establishment and operation in this State of a plant for
9 distilling brandy, rum, whiskey, alcohol and neutral spirits;

10 (ii) Sale and delivery of those alcoholic beverages in bulk to
11 persons authorized in this State to acquire them; and

12 (iii) Sale and delivery of those alcoholic beverages to persons
13 located outside this State;

14 (3) Shall be obtained for each trade name and for each distillery in
15 this State;

16 (4) Permits a distiller to manufacture alcoholic beverages in the name
17 of another person or under a trade name, provided a distillery license has been issued
18 to that other person or under that trade name, as the case may be; [and]

19 (5) Permits the holder of [such a] **THE** license to acquire bulk alcoholic
20 beverages from the holder of a distillery, rectifying, or winery license in this State or
21 from the holder of a nonresident dealer’s permit; **AND**

22 **(6) PERMITS THE HOLDER OF THE LICENSE TO:**

23 **(I) CONDUCT GUIDED TOURS OF THE LICENSED PREMISES;**

24 **(II) SERVE NOT MORE THAN THREE SAMPLES OF PRODUCTS**
25 **MANUFACTURED AT THE LICENSED PREMISES, WITH EACH SAMPLE CONSISTING**
26 **OF NOT MORE THAN ONE–HALF OUNCE FROM A SINGLE PRODUCT, TO PERSONS**
27 **WHO HAVE ATTAINED THE LEGAL DRINKING AGE AND PARTICIPATED IN A**
28 **GUIDED TOUR OF THE LICENSED PREMISES; AND**

29 ~~**(III) SELL OR SERVE;**~~

- 1 ~~1. NONALCOHOLIC BEVERAGES;~~
- 2 ~~2. BREAD AND OTHER BAKED GOODS;~~
- 3 ~~3. CHILI;~~
- 4 ~~4. CHOCOLATE;~~
- 5 ~~5. CRACKERS;~~
- 6 ~~6. CURED MEAT;~~
- 7 ~~7. FRUITS (WHOLE AND CUT);~~
- 8 ~~8. SALADS AND VEGETABLES (WHOLE AND CUT);~~
- 9 ~~9. HARD AND SOFT CHEESE (WHOLE AND CUT);~~
- 10 ~~10. ICE CREAM;~~
- 11 ~~11. JELLY AND JAM;~~
- 12 ~~12. VINEGAR;~~
- 13 ~~13. PIZZA;~~
- 14 ~~14. PREPACKAGED SANDWICHES AND OTHER~~
 15 ~~PREPACKAGED FOODS READY TO BE EATEN;~~
- 16 ~~15. SOUP; AND~~
- 17 ~~16. CONDIMENTS; AND~~

18 ~~(IV) SELL (III) SUBJECT TO SUBSECTION (B) OF THIS~~
 19 ~~SUBSECTION, SELL NOT MORE THAN THREE 750-MILLILITER BOTTLES OF~~
 20 ~~PRODUCTS MANUFACTURED ON THE LICENSED PREMISES, FOR CONSUMPTION~~
 21 ~~OFF THE LICENSED PREMISES, AND RELATED MERCHANDISE TO PERSONS WHO~~
 22 ~~HAVE ATTAINED THE LEGAL DRINKING AGE AND PARTICIPATED IN A GUIDED~~
 23 ~~TOUR OF THE LICENSED PREMISES.~~

24 (B) A HOLDER OF THE LICENSE MAY SELL BOTTLES OF PRODUCTS
 25 UNDER SUBSECTION (A)(6)(III) OF THIS SECTION ONLY IF THE HOLDER
 26 MANUFACTURES NOT MORE THAN 27,500 GALLONS OF PRODUCTS ANNUALLY.

1 (C) A HOLDER OF A CLASS 1 MANUFACTURER'S LICENSE OR ENTITY IN
2 WHICH A HOLDER HAS A PECUNIARY INTEREST MAY NOT ACT AS A CATERER OF
3 FOOD.

4 (D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, A LICENSE HOLDER
5 MAY CONDUCT THE ACTIVITIES SPECIFIED IN SUBSECTION (A)(6) OF THIS
6 SECTION:

7 (1) FOR CONSUMPTION OFF THE LICENSED PREMISES OF
8 PRODUCTS MANUFACTURED AT THE LICENSED PREMISES AND FOR SAMPLING,
9 EACH DAY FROM 10 A.M. TO 10 P.M.; AND

10 (2) FOR CONSUMPTION ON THE LICENSED PREMISES OF
11 PRODUCTS MANUFACTURED AT THE LICENSED PREMISES:

12 (I) FROM 10 A.M. TO 6 P.M. EACH DAY; OR

13 (II) IF GUESTS ARE ATTENDING A PLANNED PROMOTIONAL
14 EVENT OR OTHER ORGANIZED ACTIVITY ON THE LICENSED PREMISES, FROM 10
15 A.M. TO 10 P.M. EACH DAY.

16 (E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
17 SUBSECTION, A CLASS 1 MANUFACTURER'S LICENSE ALLOWS THE HOLDER TO
18 OPERATE 7 DAYS A WEEK.

19 (2) IN GARRETT COUNTY, A LICENSE HOLDER MAY OPEN ON
20 SUNDAYS TO ENGAGE IN THE ACTIVITIES LISTED IN SUBSECTION (A)(6) OF THIS
21 SECTION ONLY IN AN ELECTION DISTRICT WHERE THE VOTERS, IN A
22 REFERENDUM AUTHORIZED BY LAW, HAVE APPROVED SUNDAY SALES AT A
23 DISTILLERY.

24 (F) AT LEAST 14 DAYS BEFORE HOLDING A PLANNED PROMOTIONAL
25 EVENT AFTER 6 P.M., A LICENSE HOLDER SHALL FILE A NOTICE OF THE
26 PROMOTIONAL EVENT WITH THE COMPTROLLER ON THE FORM THAT THE
27 COMPTROLLER PROVIDES.

28 (G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
29 SUBSECTION, A LICENSE HOLDER MAY NOT SELL OR ALLOW TO BE CONSUMED
30 AT THE LICENSED PREMISES ANY PRODUCT OTHER THAN PRODUCTS PRODUCED
31 BY THE LICENSE HOLDER UNDER THE AUTHORITY OF THIS SECTION.

32 (2) A HOLDER OF A CATERER'S LICENSE OR PRIVILEGE UNDER
33 TITLE 6, SUBTITLE 7 OF THIS ARTICLE MAY EXERCISE THE PRIVILEGES OF THE
34 LICENSE OR PRIVILEGE ON THE LICENSED PREMISES OF THE LICENSE HOLDER.

1 **(H) NOTHING IN THIS SECTION LIMITS THE APPLICATION OF RELEVANT**
2 **PROVISIONS OF TITLE 21 OF THE HEALTH – GENERAL ARTICLE, AND**
3 **REGULATIONS ADOPTED UNDER THAT TITLE, TO A LICENSE HOLDER.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.